

Coffman Works to Increase Exports for Aerospace Industry

(WASHINGTON) - Today, U.S. Rep. Mike Coffman, R-CO, announced that he is co-sponsoring a bipartisan measure with Rep. Howard Berman, D-CA, that would provide commercial satellites and related components flexibility regarding their placement on the United States Munitions List (USML), therefore providing much-needed relief to America's commercial satellite manufacturers caught under strict International Traffic in Arms Regulations (ITAR) export controls.

"Colorado is home to the third largest aerospace economy in the nation with over 160,000 people in the state employed in space-related jobs," Coffman said. "If we remove these onerous export controls I am confident that Colorado's space industry will expand and create a number of high-paying jobs throughout the state."

The International Traffic in Arms Regulations (ITAR) are a series of federal regulations that were initiated during the Cold War and govern the import and export of defense-related services and articles listed on the United States Munitions List (USML). They are intended to ensure we do not export sensitive military technologies that could fall into the wrong hands.

With the 1999 change in the law, passed after a controversy involving the sharing of information between U.S. aerospace companies and their Chinese counterparts became public, Congress put commercial satellites and their components on the USML, thus subjecting them to much stricter export controls under the ITAR. If even a battery or bolt was designed with space travel in mind, it is now classified as a technology with arduous license requirements to be exported under federal law. Following this change in federal policy the U.S. commercial satellite industry lost its competitive global edge.

"Unnecessarily strict export controls are a serious burden on our commercial aerospace manufacturing sector and hurt our ability to compete in the global market. This excessively restrictive regulatory framework under ITAR must be reformed," Coffman said. "There are simply no reasons why we should be losing market share to our European competitors in an industry that the United States pioneered and dominated throughout the 20th Century."

Since all commercial satellites used U.S. parts in 1999, the Congressional action was thought to be effective but the law had unintended consequences because it motivated the aerospace industry in China and Europe to expand and fill the void left by U.S. export restrictions. Many large European aerospace manufacturers have actually started making and marketing commercial satellites that are "ITAR-free" - made without any U.S. components in an effort to avoid the challenges associated with ITAR compliance.

"We must allow our commercial satellite manufacturers to regain their competitive global edge, so we can bring back some of the jobs that have been lost to our competitors overseas," Coffman said. "With this bill, I am confident that we can do just that."

While this bill, H.R. 3288, the “Safeguarding United States Satellite Leadership and Security Act of 2011,” allows U.S. aerospace companies greater access to international customers, it still protects American security interests by prohibiting the sale of satellite components to China as well as nations that engage in the state sponsorship of terrorism, such as North Korea, Iran, Syria, Sudan, and Cuba.